

RULE

DEPARTMENT OF ECONOMIC DEVELOPMENT OFFICE OF FINANCIAL INSTITUTIONS

Depository Institution Records Retention (LAC 10:I.701 and LAC 10:III.111)

Under the authority of the Administrative Procedure Act, LSA-R.S. 49:950 et seq., and in accordance with LSA-R.S. 6:127, the Commissioner of the Office of Financial Institutions repeals the rule promulgated in the Louisiana Register, Volume 9, Pages 680-683 (October 1983) regarding bank records retention schedules and adopts a rule providing for a record retention schedule for all depository institutions subject to the supervision of the commissioner. This rule significantly streamlines the existing record retention rule by requiring that applicable institutions maintain minimum records and retention periods as deemed necessary by the commissioner for the proper examination and supervision of the institution by this Office.

Title 10 FINANCIAL INSTITUTIONS, CONSUMER CREDIT, INVESTMENT SECURITIES, AND UCC

Part 1. Financial Institutions

Chapter 7. Records Retention

§701. Records Retention Schedule

Each depository institution subject to the regulation and supervision of the Office of Financial Institutions shall retain such minimum records which are deemed necessary for the examination and supervision of such institutions by this Office and for such minimum retention periods as determined by the Commissioner and set forth in a "record retention schedule". This rule does not replace the institution's responsibility to create, implement, and maintain its own comprehensive record retention program, consistent with the institution's strategic goals and objectives. Such records may be retained in various forms including but not limited to hard copies, photocopies, computer printouts or microfilm, microfiche, imaging, or other types of electronic media storage that can be readily reproduced into hard copies.

AUTHORITY NOTE: Promulgated in accordance with LSA-R.S. 6:127.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Financial Institutions LR 23:705 (June 1997)

Part III. Banks

Chapter 1. General Provisions

§ 111. Retention of Banking Records

Repealed.

AUTHORITY NOTE: Promulgated in accordance with LSA-R.S. 6:170.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Office of Financial Institutions LR 9:680 (October 1983), repealed by the Department of Economic Development, Office of Financial Institutions, LR 23:705 (June 1997).

Larry L. Murray, Commissioner
Office of Financial Institutions

**STATE OF LOUISIANA
OFFICE OF FINANCIAL INSTITUTIONS
BATON ROUGE, LOUISIANA**

JUNE 20, 1997

**POLICY NO. B-02-97, SL-02-97,
SB-02-97, CU-01-97**

DEPOSITORY INSTITUTION RECORDS RETENTION PROGRAM

PURPOSE:

To provide a schedule of minimum records to be retained by state-chartered depository institutions and used for the regulation and supervision of such institutions by this Office. This policy also provides additional guidelines which should be used to formulate an internal record retention program, consistent with the needs of the individual depository institution.

TO WHOM THIS POLICY APPLIES:

All Bank, Savings and Loan Association, Savings Bank, and Credit Union examiners.

SPECIFICS:

The Depository Institution Records Retention Rule, LR 23:705 (June, 1997), significantly streamlines the existing bank record retention rule, LR 9:680 (October, 1983), by requiring that state-chartered depository institutions maintain minimum records and for appropriate minimum retention periods as deemed necessary by the commissioner for the proper examination and supervision of these institutions by this Office.

The Commissioner will develop and maintain a "record retention schedule" which outlines such minimum supervisory-related records and retention periods and may revise this schedule on a periodic basis. Any revisions will be sent out to all state-chartered depository institutions under the supervision of this Office on at least an annual basis or upon request.

It should be understood, however, that this schedule does not replace the institution's responsibility to create, implement, and maintain its own comprehensive record retention program, consistent with the institution's specific goals, objectives, strategies. (See ATTACHMENT #2.)

Larry L. Murray, Commissioner

LLM/DBG/SES/JPG:jsm
ATTACHMENTS

OFI's Records Retention Schedule¹ for Depository Institutions and Holding Companies

A. Depository Institution's and their Subsidiaries' General Records

1. To be retained at least 4 years

- a. Internal and external audit reports (including directors exams, supervisory committee audit reports, audited financial statements, external audit management letters, internal and external information technology audit reports, and audit report responses), and any other reports (i.e., loan reviews) performed by outside consultants
- b. Reports of Condition and Income (Call Reports) and records supporting all call report schedules²
- c. Daily overdraft reports
- d. General ledger and general ledger transaction reports w/ supporting vouchers and tickets (should show the daily amounts of federal funds sold to each institution)
- e. Monthly deposit statements for directors and executive officers
- f. Reconciliation of "due to" and "due from" bank accounts
- g. State and federal tax records/returns
- h. Asset chargeoff and recovery records
- i. Internal asset classification report or watch list
- j. Quarterly analysis of the adequacy of allowances for loan and lease losses (ALLL)
- k. Annual budget
- l. Interest rate risk (IRR) reports
- m. Overall internal risk-assessment reports
- n. Contracts w/ service providers (i.e. EDP, NDIP, etc.)
- o. Agreements for fed funds lines or other borrowings
- p. Letters of credit
- q. Investment securities records of sales

¹ Records to be retained by Louisiana state-chartered depository institutions and their subsidiaries, related holding companies, and non-bank affiliates for the regulatory and supervisory purposes of this Office.

² Call Reports and related records include, but are not limited to, the following: deposit/checking account trial balance; loan trial balance; income statements and dividends; and consolidated financial statements.

- r. Customer complaints
 - s. Documentation of responses to Section 314(a) customer matching requests from FinCEN
2. To be retained **at least 5 years**
- a. Suspicious Activity Reports (SARs) filed with the Financial Institutions Crime Enforcement Network (FinCEN) and any SAR-related supporting documentation
 - b. Kiting Suspect Reports
 - c. Currency Transaction Reports (CTRs) and supporting documentation, including exempt persons list
3. To be retained **at least "Life +"**³
- a. Insurance records and policies
 - b. Investment securities records of purchases
 - c. Investment safekeeping receipts
 - d. Loan files (including supporting documentation and payment histories)
 - e. Other real estate owned files (including supporting documentation and records)
 - f. Leases
 - g. Fixed asset records
 - h. Salaries and related benefit plans
 - i. Records of any debt instruments
 - j. Records of savings accounts, demand accounts, certificate of deposits, etc.
 - k. Liquidation account records (applicable to stock thrifts that were formerly mutual)
4. To be retained at least **Life + 5 years** -- Customer identification information, including descriptions of documents relied upon for verification, descriptions of methods and result of non-documentary means of verification, and descriptions of resolution of any discrepancies discovered when verifying information provided by the customer
5. To be retained **permanently**
- a. Articles of Incorporation, Bylaws, and Amendments
 - b. Minutes of meetings of stockholders/shareholders, board of directors, and committees

³ "Life +" means the life of the transaction plus a reasonable time period thereafter, with such time period being at least three years. With respect to trust and holding company records, "Life +" means the life of the trust account plus a reasonable time period thereafter, with such time period being at least five years.

- c. Stock ledger

B. Depository Institution's Consumer Credit Records

1. To be retained **at least 4 years**

- a. Death Claims
 - i. Copy of death certificate
 - ii. Copy of checks or other confirmation of claim payment received from insurance company
 - iii. Copy of check indicating payment to secondary beneficiary, if applicable
- b. All other insurance claims
- c. Attorney accounts
 - i. Amount paid to attorney, with attorney fees and court costs shown separately
 - ii. Receipt from clerks of court indicating court costs or schedule reflecting the institution's court costs
- d. Judgments
 - i. Similar documents as for attorney accounts [See B(1)(c)]
 - ii. Copy of signed judgment

2. To be retained **at least "Life +"**³

- a. Consumer loan agreements and files (including notes, disclosure statements, supporting documentation and payment histories)
- b. Agreements w/ outside credit card providers
- c. Insurance premium finance agreements

C. Depository Institution's Trust Department Records

1. To be retained **at least 4 years**

- a. Annual report of trust assets and supporting documents
- b. Journal sheets for accounting division and stock transfers
- c. Tax records/returns

2. To be retained **at least "Life +"**³

- a. Document files

- b. Fee cards
- c. Ledger records
- 3. To be Retained **Permanently** -- Trust committee and trust investment committee minute books

D. Holding Company's and their Non-Banking Subsidiaries' Records

- 1. To be retained **at least 4 years**
 - a. Internal and external audit reports (including audited financial statements and external audit management letters and responses), and any other reports performed by outside consultants
 - b. Annual, semiannual, or quarterly reports submitted to the Federal Reserve (e.g. FR Y-6, FR Y-9, etc.) and records supporting the schedules contained therein
 - c. Overall risk assessment reports
 - d. General ledger and general ledger transaction reports with supporting vouchers and tickets
 - e. Reconciliation of "due to" and "due from" bank accounts
 - f. State and federal tax records/returns
 - g. Asset chargeoff and recovery records
 - h. Internal asset classification report or watch list
 - i. Quarterly analysis of the allowance for loan and lease losses
 - j. Records associated with permissible activities at parent company
 - k. Annual budget
 - l. Contracts w/ service providers (i.e. EDP, NDIP, etc.)
 - m. Agreements for fed funds lines or other borrowings
 - n. Letters of credit
 - o. Investment securities records of sales
 - p. Customer complaints
- 2. To be retained **at least 5 years**
 - a. Suspicious Activity Reports (SARs) filed with the Financial Institutions Crime Enforcement Network (FinCEN) and any SAR-related supporting documentation
 - b. Kiting Suspect Reports
- 3. To be retained **at least "Life +"**³

- a. Insurance records and policies
 - b. Investment securities records of purchases
 - c. Investment safekeeping receipts
 - d. Loan files (including supporting documentation and payment histories)
 - e. Other real estate owned files (including supporting documentation and records)
 - f. Leases
 - g. Fixed asset records
 - h. Salaries and related benefit plans
 - i. Records of any debt instruments
4. To be retained **permanently**
- a. Articles of Incorporation
 - b. Minutes of meetings of stockholders/shareholders, board of directors, and committees
 - c. Stock ledger

[REVISED effective 1/1/05]

ATTACHMENT #2

Records Retention Guidelines for Depository Institutions

Management and the Board of Directors of a depository institution should formulate and implement an internal record retention program in order to provide a means for the systematic disposal of obsolete and unnecessary records. In determining which records a depository institution should retain and the retention period applicable to such records, the following factors should be considered: the time period for which a particular record might be reasonably requested; the difficulty in recreating the record from other sources; the cost of storage; and statutory record retention requirements (state and federal).

Management and the Board of Directors should periodically review and revise (as deemed necessary) its internal record retention program to consider regulatory, operational, technological, and other changes that have or may impact the institution at the present time, as well as in the future.